

105TH CONGRESS
1ST SESSION

H. R. 2827

To amend the Internal Revenue Code of 1986 to require that a taxpayer may request a receipt for an income tax payment which itemizes the portion of the payment which is allocable to various Government spending categories.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 5, 1997

Mr. SCHUMER introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to require that a taxpayer may request a receipt for an income tax payment which itemizes the portion of the payment which is allocable to various Government spending categories.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Taxpayer Right-To-
5 Know Act of 1997”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—The Congress finds the following:

1 (1) Individual incomes taxes amount to one of
2 the greatest annual expenses for many Americans.

3 (2) There is a great deal of uncertainty on the
4 part of taxpayers concerning where and how their
5 income tax dollars are spent.

6 (3) Taxpayers do not receive any acknowledg-
7 ment of payment from the Internal Revenue Service
8 nor any explanation itemizing how their tax pay-
9 ments are spent.

10 (4) There presently exists no straightforward
11 way for a taxpayer to determine exactly how much
12 he or she paid for specific governmental activities.

13 (5) The failure to provide taxpayers with an
14 itemized listing showing how their tax dollars are
15 spent contributes to a lack of knowledge about the
16 Government and subsequently to a less informed
17 electorate.

18 (6) The Internal Revenue Service must update
19 its technology and treat taxpayer information as a
20 strategic asset to improve customer service.

21 (7) Taxpayer education by the Internal Revenue
22 Service aimed at showing taxpayers how their tax
23 dollars are spent leads to increased compliance.

24 (b) PURPOSES.—The purposes of this Act are as fol-
25 lows:

1 (1) To educate individual income tax filers
 2 about how much they contribute annually, in actual
 3 dollars and cents, to various governmental programs,
 4 projects, and activities.

5 (2) To improve the public’s understanding of
 6 the Federal Government.

7 (3) To enhance the public’s level of satisfaction
 8 with the Internal Revenue Service.

9 **SEC. 3. ITEMIZED INCOME TAX RECEIPT.**

10 (a) IN GENERAL.—Chapter 77 of the Internal Reve-
 11 nue Code of 1986 (relating to miscellaneous provisions)
 12 is amended by adding at the end the following new section:

13 **“SEC. 7525. TAXPAYER REQUEST FOR INCOME TAX RE-**
 14 **CEIPT.**

15 “(a) IN GENERAL.—At the request of any taxpayer
 16 who files an individual income tax return, the Secretary
 17 shall send to such taxpayer an itemized receipt showing
 18 a proportionate allocation (in money terms) of the tax-
 19 payer’s total tax payments among the major expenditure
 20 categories.

21 “(b) TOTAL TAX PAYMENTS.—For purposes of sub-
 22 section (a), total tax payments of an individual for any
 23 taxable year are—

24 “(1) the tax imposed by subtitle A for such tax-
 25 able year (as shown on his return), and

1 “(2) the tax imposed by section 3101 on wages
2 received during such taxable year.

3 “(c) CONTENT OF TAX RECEIPT.—

4 “(1) MAJOR EXPENDITURE CATEGORIES.—For
5 purposes of subsection (a), the major expenditure
6 categories are:

7 “(A) National defense.

8 “(B) International affairs.

9 “(C) Medicaid.

10 “(D) Medicare.

11 “(E) Means-tested entitlements.

12 “(F) Domestic discretionary.

13 “(G) Social Security.

14 “(H) Interest payments.

15 “(I) All other.

16 “(2) OTHER ITEMS ON RECEIPT.—In addition,
17 the tax receipt shall include selected examples of
18 more specific expenditure items, either at the budget
19 function, subfunction, or program, project, or activ-
20 ity levels, along with any other information deemed
21 appropriate by the Secretary and the Director of the
22 Office of Management and Budget to enhance tax-
23 payer understanding of the Federal budget.

24 “(d) MANNER AND TIME OF REQUEST.—A request
25 for a tax receipt as described in subsection (c) shall be

1 made with respect to any taxable year at the time of filing
2 the return imposed by chapter 1 for such taxable year.
3 A receipt shall be made available to a requesting taxpayer
4 as soon as practicable upon the processing of that tax-
5 payer's Federal income tax return by the Internal Revenue
6 Service.

7 “(e) USE OF NEW TECHNOLOGIES.—The Internal
8 Revenue Service is encouraged to utilize modern tech-
9 nologies such as electronic mail and the Internet to mini-
10 mize the cost of sending receipts to taxpayers. The Inter-
11 nal Revenue Service shall establish an interactive program
12 on its Internet website to allow taxpayers to generate in-
13 come tax receipts on their own.

14 “(f) COST.—No charge shall be imposed to cover any
15 cost associated with the production or distribution of the
16 tax receipt.

17 “(g) REGULATIONS.—The Secretary may prescribe
18 such regulations as may be necessary to carry out this
19 section.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for chapter 77 of such Code is amended by adding at the
22 end the following new item:

“Sec. 7525. Taxpayer request for income tax receipt.”

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 1997.

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